



# NATIONAL ASSOCIATION OF STATE VETERANS HOMES

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***“Caring for America’s Heroes”***

**Testimony of  
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NATIONAL ASSOCIATION OF STATE VETERANS HOMES (NASVH)**

**Before the  
HOUSE COMMITTEE ON VETERANS’ AFFAIRS**

**Hearing on  
“COVID-19 SUPPLEMENTAL FUNDING: DID IT PROTECT AND  
IMPROVE VETERAN CARE?”**

**MAY 23, 2023**

Chairman Bost, Ranking Member Takano and Members of the Committee:

Thank you for inviting the National Association of State Veterans Homes (NASVH) to testify about the impact of the COVID-19 pandemic on State Veterans Homes (SVHs), and how the Department of Veterans’ Affairs (VA) supported SVHs and the veterans we care for. As you may know, NASVH is an all-volunteer organization dedicated to promoting and enhancing the quality of care and life for the veterans and families in our SVHs through education, networking, and advocacy.

My full-time job is Administrator of the State Veterans Home in Fayetteville, North Carolina, where I oversee a 150 bed facility providing skilled nursing care to aging and disabled veterans. Today I am pleased to share with the Committee my direct experiences and observations, together with those of my NASVH colleagues, about how the pandemic has and continues to challenge State Veterans Homes, and the many ways that VA has been able to support us over the past three years.

## **Background**

The State Veterans Homes program is a partnership between the federal government and state governments that dates back to the post-Civil War period. Today, there are 163 State Veteran Homes located in all 50 states and the Commonwealth of Puerto Rico, with over 30,000 authorized beds providing a mix of skilled nursing care, domiciliary care, and adult day health care. SVHs provide half of all federally supported institutional long-term care for our nation’s veterans, however as VA’s FY 2023 budget submission makes clear, State Veterans Homes will consume less than 20% of VA’s FY 2023 total obligations for veterans’ long term nursing home

care. Furthermore, VA's calculation of the institutional per diem for SVH skilled nursing care is 40% lower than for private sector community nursing homes and less than one-eighth that of VA's Community Living Centers (CLCs). It's clear that this federal-state partnership provides tremendous value for VA and for veterans.

To help cover the cost of America's veterans residing in SVHs, VA provides per diem payments at different rates for skilled nursing care, domiciliary care, and adult day health care (ADHC). VA also provides State Home Construction Grants to cover up to 65 percent of the cost to build, renovate and maintain SVHs, with States required to provide at least 35 percent in matching funds for those projects.

As a responsibility of providing federal funding, VA certifies and closely monitors the care and treatment of veterans in State Veterans Homes. Although VA does not have direct statutory *"...authority over the management or control of any State home."* [38 USC 1742(b)], federal law provides VA the authority to *"...inspect any State home at such times as the Secretary deems necessary."* and to withhold per diem payments if VA determines that the Home fails, *"to meet such standards as the Secretary shall prescribe..."* [38 USC 1742(a)]

### **Oversight of State Veterans Homes**

As required by law, VA performs a comprehensive inspection survey of each State Veterans Home annually to assure resident safety, high-quality clinical care, and sound financial operations. This inspection survey is typically an unannounced week-long comprehensive review of the Home's facilities, services, clinical care, safety protocols and financial operations.

VA has extensive regulations covering every aspect of SVH operations. 38 C.F.R. Part 51, Subpart D, sections 51.60 through 51.210, provide a description of the standards for skilled nursing facilities that every State Veteran Home must comply with to ensure resident rights, quality of life, quality of care, nursing services, dietary services, physician services, specialized rehabilitative services, dental services, pharmacy services, infection control, and the physical environment of the Homes. In total, there are more than 200 clinical standards reviewed during VA's annual inspection survey, in addition to dozens of fire and life safety standards, which are outlined in the National Fire Protection Association (NFPA) Life Safety Codes and Standards. Finally, VA surveys and inspections conduct a financial audit concerning the Homes financial operations and to ensure proper stewardship of residents' personal funds. There are also similarly detailed regulations for domiciliary and adult day health care programs run by State Veterans Homes.

About 72 percent of State Veterans Homes are also certified to receive Medicare support for their residents and must undergo annual inspections by the Centers for Medicare and Medicaid Services (CMS) to assure safety and quality care. The CMS inspection survey process also covers more than 90 percent of the same clinical life and safety sections of the VA inspection survey in a week-long inspection that is not announced in advance. All deficiencies identified by the CMS inspection must be corrected as a condition of continuing to receive CMS financial support.

In addition to the VA and CMS inspections, State Veterans Homes are also subject to both regular and periodic inspections and audits from the Inspector General of the Department of Veterans Affairs, and the Civil Rights Division of the Department of Justice. SVHs generally function within a state's department or division of veterans' affairs, public health, or other accountable agency, and typically operate under the governance and oversight of a board of trustees, a board of visitors, or other similar accountable public body. State Veterans Homes also have regular inspections from state and local authorities examining their fire safety preparedness, pharmaceutical practices, health and sanitary protocols, food safety practices and other public health and sanitization protocols.

### **How the COVID-19 Pandemic Has Impacted State Veterans Homes**

Chairman Bost, when COVID-19 first emerged in 2020, State Veterans Homes were among the first institutions to take significant precautions to protect our residents. Battling communicable viruses has always been a regular part of our operations and we have strong infection control regimens which have long been utilized to help prevent and mitigate the spread of influenza and other viruses in our facilities. However, the outbreak and spread of COVID-19, particularly in its early asymptomatic form, made it virtually impossible to prevent it from entering any facility or location in the country. Despite myriad precautions taken – including enhanced use of personal protective equipment (PPE), suspension of visitation and new admissions, screening of staff and residents for symptoms, and strict social distancing – the lack of vaccines, treatments and testing capacity nationally made all nursing homes a prime target of COVID-19.

It is important to note that veterans in State Veterans Homes are primarily older men who have significant disabilities and comorbidities, and that studies have shown that COVID-19 disproportionately affected older men with underlying health conditions. In fact, the percentage of veterans residing in SVHs aged 85 or older (38%) is double the percentage of both VA's CLCs (18%) and community nursing homes (19%).

From the onset of the pandemic, State Veterans Homes proactively sought to procure sufficient PPE to protect veterans and staff. However, inadequate national inventory and stockpiles of PPE – particularly N95 masks, isolation gowns and face shields – posed a tremendous problem. Another critical challenge was the inability to quickly and accurately test for COVID-19 and receive timely, valid results for both residents and staff. As a result, when one resident or staff member tested positive, Homes would often quarantine other staff or residents who might have come in contact with the person who tested positive. This resulted in large numbers of staff in some State Veterans Homes being required to remain at home until they passed a 14-day quarantine period or had one or more negative test results to indicate they did not carry the virus. Consequently, SVHs were forced to dramatically increase overtime for remaining staff or to bring in additional temporary staff, significantly increasing costs.

As the pandemic stretched from months to years, the impact on the finances of SVHs has been devastating. Every State Veteran Home has had to significantly increase expenditures for PPE, cleaning and sanitizing supplies, and laundry services. Depending on the level of COVID-19 spread in a facility, Homes have had enormous increases for personnel costs to cover wages, overtime, hazard pay, sick leave and temporary staffing. In addition, many Homes have made

modifications to buildings and rooms for isolation and sanitization, including the purchase of new equipment.

At the same time, occupancy levels in most SVHs declined as veteran residents passed away due to COVID and non-COVID causes, and because new admissions were suspended. Today, even with effective vaccines, treatments, and testing now available to mitigate many of the dangers from COVID-19, SVHs still face significant challenges in bringing their occupancy rates back up to normal levels, primarily due to national staffing shortages impacting all health care facilities. As a result, the level of VA per diem support provided each year to State Veterans Homes has declined significantly over the past three years, creating serious financial challenges for Homes to remain solvent at a time when their state budgets are also in crisis.

### **How VA Supported State Veterans Homes During the COVID-19 Pandemic**

Early in the COVID-19 pandemic, VA began to provide a range of support to SVHs under its “Fourth Mission” to support the nation’s health care system in national emergencies. In North Carolina, VA provided testing, PPE, training for properly using respirators, and additional training in infection control to our Homes. Our relationship with VA throughout the pandemic has been very strong and made a key difference for our Homes and our veterans.

Other SVHs also received a variety of support, depending on their local needs and VA’s local capabilities. For example, VA provided thousands of face masks and protective gowns to Homes in Illinois and Michigan. In California, VA provided testing for up to 200 State Home residents and employees weekly. In Iowa and in Idaho, VA provided direct staffing support for Homes facing critical vacancies, specifically nurses. In Idaho, the VA also supplied testing collection kits and rendered COVID-19 testing services through their lab for the State Homes' residents and staff. South Carolina received over 100,000 gowns, gloves, masks, face shields, and 2,000 test kits. In New York, VA supported a Long Island State Veteran Home program that delivered meals and checked regularly via telehealth on veterans unable to access the Adult Day Health Care program due to COVID-19 restriction. These are just some examples of the many ways that VA worked to support SVHs during the pandemic.

### **Waivers During the Public Health Emergency**

As the pandemic quickly took hold in March 2020, NASVH worked with this Committee and its counterpart in the Senate to look for ways to mitigate the impact of COVID-19 on State Veterans Homes. One of the key challenges was meeting staffing requirements as employees either contracted COVID-19 or had to be quarantined due to exposure. To help limit the loss of financial support during the pandemic, Congress included provisions in the CARES Act (P.L. 116-136) to provide temporary waivers from occupancy rates and veteran percentage requirements, as well as a provision authorizing VA to provide PPE to SVHs during this public health emergency. VA was also able to waive the bed hold requirement during the public health emergency so that SVHs would not lose per diem for veterans who were receiving temporary in-patient treatment in an acute care setting.

However, with the formal end of the public health emergency on May 11, 2023, SVHs are now at risk of losing significant financial support from VA, which is particularly challenging at a time when staffing shortages continue to limit their ability to bring up their occupancy rates. To address this financial burden, bipartisan legislation was introduced in the Senate (S. 1436) which, among other provisions, would allow SVHs to receive per diem payments for bed-holds even when the SVH does not meet the required 90% occupancy rate. The bill would also continue to allow VA to provide PPE and supplies to SVHs at its discretion to help keep residents and staff safe during other health emergencies. Mr. Chairman, we would welcome the opportunity to talk with you or other members of the Committee who might be interested in sponsoring companion or similar legislation to support veterans residing in SVHs.

### **Financial Support for Per Diem and Construction Grants**

NASVH would like to thank this Committee for all its outreach and support during the pandemic, particularly for helping to secure emergency supplemental funding for SVHs. As a result of provisions included in the American Rescue Plan (ARP) Act of 2021 and the Coronavirus Aid, Relief, and Economic Security Act (CARES) Act as amended by the Consolidated Appropriations Act, 2021, VA was able to provide \$1 billion in supplemental support to SVHs:

- \$500 million from the ARP designated to provide additional State Home Construction Grants
- \$250 million from the ARP for one-time grants related to operating needs based on each SVH's share of total veteran residents receiving skilled nursing home and domiciliary care;
- \$150 million from the CARES Act designated State Home Construction Grants to modify buildings to prepare, prevent, respond to, or mitigate the risk of COVID-19; and
- \$100 million designated by the Consolidated Appropriations Act, 2021, for grants for emergency payments to existing State Veterans Homes to prevent, prepare and respond to COVID-19.

SVHs have been able to use these supplemental resources to sustain operations, hire new staff, expand, and build new infection control systems, and modify facilities to help prevent the spread of COVID, influenza, other viruses, and infectious diseases.

In addition, VA has begun accelerating basic per diem rate increases to support veterans in SVHs with two increases a year, rather than just a single annual cost-of-living adjustment. NASVH is grateful for all the emergency support provided by Congress and VA over the past three years, and we are proud of the continued partnership between states and the federal government to support the men and women who served.

## **Additional Support Requested from Congress**

Mr. Chairman, although the public health emergency has ended, State Veterans Homes continue to face significant challenges to continue caring for aging and disabled veterans, and we respectfully ask this Committee to continue working with us to address these needs.

As mentioned above, the bipartisan CHARGE Act (S. 1436) is pending in the Senate, and we would be grateful if a companion or similar bill were introduced and considered in the House. NASVH is also seeking congressional support for legislation to address several other needs SVHs have been facing in recent years.

Although VA is authorized to pay a basic per diem that covers up to 50% of the cost of a veteran's care, the basic per diem rates in recent years have been less than 30%, even lower during the height of the pandemic. We would ask for legislation to set the basic per diem rate at 50% of the daily cost of care.

NASVH is also seeking support from Congress to fully fund the State Home Construction Grant program. Over the past decade, annual appropriations for this program have been extremely volatile: typically providing funding for only a small portion of the qualified state matching grants, but fortunately with a couple of years that met the full demand for federal matching funds. For FY 2024, NASVH is asking Congress to provide at least \$600 million to the State Home Construction Grant program, although once the VA releases its new priority list the actual need may be closer to \$900 million.

Finally, NASVH is asking Congress to enact legislation to help SVHs recruit and retain sufficient staffing to allow full occupancy of our nursing homes and other programs. As this Committee is fully aware, there is a staffing crisis affecting every health care system in the nation, particularly for nurses and other critical clinical positions. State Homes have been grateful for the Nurse Recruitment and Retention Scholarship program which has had a positive impact on a number of SVHs. We are asking Congress to expand that program so that more Homes can benefit from it. At the same time, we believe that a similar program for other critical staffing vacancies could help boost the ability of SVHs to compete with private sector employers who are able to offer higher salaries and benefit packages.

In conclusion, NASVH greatly values the federal-state partnership underlying the State Veterans Home program. During the COVID pandemic, we experienced firsthand the tremendous value of VA supporting SVHs, and that dynamic must continue. The veterans we serve have greatly benefited from that partnership, and in particular, from the supplemental funding Congress provided to VA. As we look to the future, NASVH hopes to continue working with this Committee and Congress to find new and innovative ways to further strengthen the State Veterans Homes system for the men and women who served.

Mr. Chairman, that concludes my testimony. Thank you for the opportunity to appear before the Committee today. I would be pleased to answer any questions that you or members of the Committee may have.

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